

## California Fair Political Practices Commission

# Frequently Asked Questions: Form 700 Disclosure

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The FAQs listed below are selected from questions often asked of the FPPC. Please use the FPPC toll free advice line or email advice service for specific guidance. Keep in mind that the Form 700 is a public document and many agencies now post the forms on agency websites.

### General Questions

1. Q. Do all officials have the same disclosure requirements for Form 700 reporting?
  - A. No. The majority of individuals that file Form 700 must do so by following the rules set forth in the agency's conflict-of-interest code. Before completing the Form 700, be sure you know the disclosure category for your position. For example, since job duties differ from agency to agency, an analyst for one agency may not have the same reporting requirements as an analyst working for another agency.  
  
Officials listed in Gov. Code Sec. 87200 (e.g. boards of supervisors, city council members, planning commissioners, elected state officials, etc.), must report all investments and income as well as real property interests in their agency's jurisdiction.
2. Q. Do I have to read all of the information before completing the Form 700?
  - A. Each individual must verify the Form 700's content under penalty of perjury. Therefore, all effort must be made to understand the instructions. When necessary, contact the FPPC for specific, personal guidance. Immunity from an enforcement action can only be provided to you when you write to request formal written advice.
3. Q. Where do I file my Form 700?
  - A. Local and state officials file with their agency. Only retired judges serving on assignment and legislative staff file the Form 700 directly with the FPPC. Certain statements then are forwarded to the FPPC by the state or local agency.
4. Q. If I postmark my Form 700 by the due date, is it considered filed on time?
  - A. Yes.
5. Q. I hold various positions for which I need to file a Form 700. Am I required to file a statement for each position?
  - A. Yes, however you may complete an expanded statement covering the disclosure requirements for all positions. Be sure to file an originally signed statement with each filing officer.
6. Q. Do filers need to complete the entire Form 700 when they leave office?
  - A. Yes. All of the same schedules are required for the assuming office, the annual, and the leaving office filings.

7. Q. I was recently hired into a newly created management position in my agency's Information Technology Department. How do I complete the Form 700?
- A. Because this is a newly created position, the law requires that you report economic interests under the broadest disclosure category in the agency's conflict-of-interest code unless you are provided a written document stating otherwise. Generally, you will file the Form 700 with the agency within 30 days of the date of hire.
8. Q. Are board members of a nonprofit public benefit corporation that operates two California charter schools officials who must file Form 700s?
- A. Yes. Members of charter schools are officials and must file Form 700s.

### Income Questions

9. Q. Do I have to report my spouse's or registered domestic partner's income?
- A. Generally, you must report 50% of your spouse's salary disclosing the employer's name as the source of income on Schedule C. If your spouse or registered domestic partner is self-employed, report the business entity on Schedule A-2. Remember: governmental salary is never reported. You must check your disclosure category, if applicable.
10. Q. I own a business in which I have received income from clients of \$10,000 or more, but their names are confidential. Must I disclose their names on Schedule A-2, Part 3?
- A. Yes. However, Regulation 18740 (available at [www.fppc.ca.gov](http://www.fppc.ca.gov)) provides a procedure in which a client's name may not be disclosed if disclosure of the name would violate a legally recognized privilege under California law. Requests for exemptions must be submitted to the FPPC Executive Director.

### Investment Questions

11. Q. All my investment decisions are made by my account manager and I have no input into where my funds are invested. Am I required to disclose the investments contained in this account?
- A. Yes, you must disclose on Schedules A-1 or A-2 any investments worth \$2,000 or more in a business entity located or doing business in your jurisdiction. Also check your conflict-of-interest code, if applicable, to determine if the investment is reportable.
12. Q. I have funds invested in a retirement account. Must I report the investments held in the retirement account?
- A. Investments held in a government defined-benefit pension program plan (i.e. CalPERS) are not reportable. However, assets held in some retirement accounts such as a defined contribution plan 401(k) must be disclosed if the account holds such items as common stock. You may have to contact your account manager for assistance in determining what assets are held in your account.

13. Q. My spouse and I have a living trust that holds rental property in my jurisdiction, our primary residence, and investments in diversified mutual funds. How do I disclose this trust?
- A. Disclose the name of the trust, the rental property and its income on Schedule A-2. Your primary residence, if used exclusively as your personal residence, and investments in diversified mutual funds registered with the SEC are not reportable.

### **Real Property Questions**

14. Q. Is my personal residence reportable?
- A. If you are required to disclose real property, pursuant to your agency's conflict-of-interest code, any personal residence occupied by you or your family (including a vacation home) is not reportable if used exclusively as a personal residence. However, a residence for which you claim a business deduction is reportable if the portion claimed as a tax deduction is valued at \$2,000 or more. The amount of the tax deduction is not relevant. In addition, any residence for which you receive rental income is reportable if it is located in your jurisdiction.
15. Q. I have to report my personal residence and I am not comfortable listing the street address. Do I have any other options?
- A. Yes. Instead of listing the street address, you may list the assessor's parcel number.

### **Enforcement Question**

16. Q. What is the penalty for not filing my Form 700 on time?
- A. A fine of \$100 may be assessed. In addition, if your failure to file is referred to the FPPC Enforcement Division, the fine will increase up to a maximum of \$5,000 per violation. In 2010, the FPPC collected more than \$25,000 in fees for late statements.